

# WORKFORCE TRAINING

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## *Supply, Demand, and Gaps*

**2000**

EXECUTIVE SUMMARY

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Washington State  
Workforce Training  
and Education  
Coordinating Board

# WORKFORCE TRAINING AND EDUCATION COORDINATING BOARD

## The Vision

The Workforce Training and Education Coordinating Board is Washington State's valued and trusted source of leadership for the workforce training and education system.

## Mission Statement

The Workforce Training and Education Coordinating Board's mission is to bring business, labor, and the public sector together to shape strategies to best meet the state and local workforce and employer needs of Washington in order to create and sustain a high skill, high wage economy.

To fulfill this Mission, Board members, with the support of staff, work together to:

- Advise the Governor and Legislature on workforce development policy.
- Promote a system of workforce development that responds to the lifelong learning needs of the current and future workforce.
- Advocate for the non-baccalaureate training and education needs of workers and employers.
- Facilitate innovations in workforce development policy and practices.
- Ensure system quality and accountability by evaluating results and supporting high standards and continuous improvement.

## Board Members

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*This publication is available in alternative format upon request.*

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## Customer Satisfaction Survey for the Executive Summary of Workforce Training: Supply, Demand, and Gaps

*The Workforce Training and Education Coordinating Board is committed to high-quality customer satisfaction and continuous improvement. You can help us meet our commitment by completing this form, detaching it, and mailing it in. Please circle the words that best answer the following questions. In the space provided please elaborate on your response, if appropriate.*

1. How useful is the information presented in this report?	Not Useful	Somewhat Useful	Very Useful
2. How <b>clear</b> is the information presented in this report?	Not Clear	Somewhat Clear	Very Clear
3. How accurate is the information?	Not Accurate	Somewhat Accurate	Very Accurate
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Would you like to be contacted about future Workforce Board initiatives in this field? Yes \_\_\_\_ No \_\_\_\_

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NAME	ADDRESS	
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## Executive Summary

This report identifies the gaps between supply and demand for training in Washington. The Workforce Training and Education Coordinating Board (Workforce Board) prepared this report in response to an assignment in RCW 28C.18.100. Consistent with the Workforce Board's mission, the report emphasizes training for occupations that do not require a bachelor's degree—over three quarters of all jobs.

To assess the supply and demand for training, we consider labor market information and the perspectives of both employers and workers, and separately analyze the needs of three groups:

1. Youth
2. Adults
3. Adults With Barriers to Employment

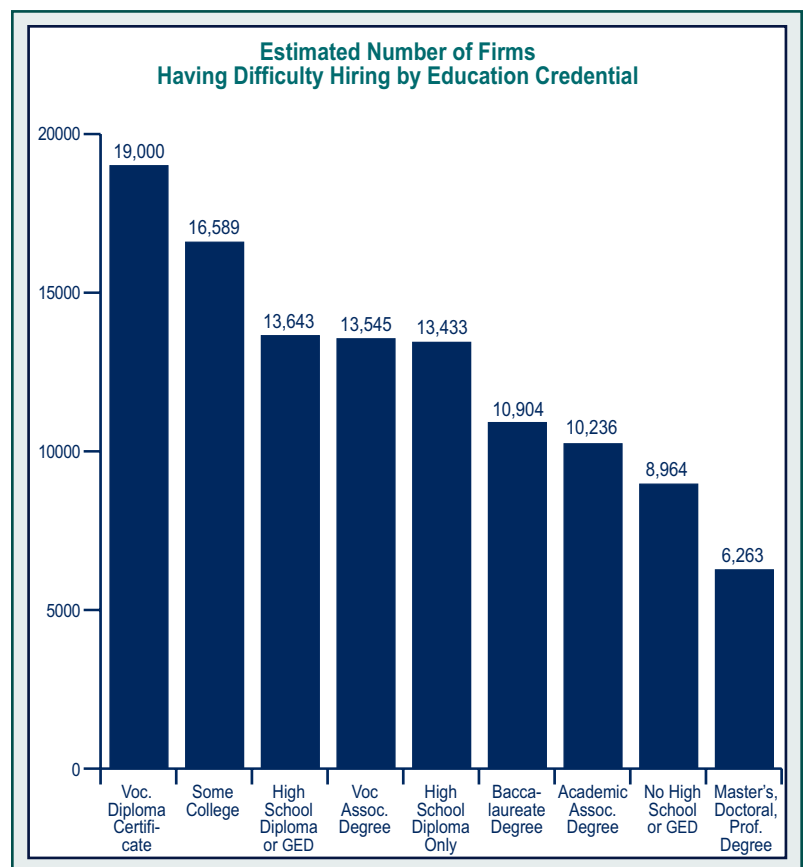
The following are our major findings and recommendations.

### Shortage of Skilled Workers

- Sixty-four percent of Washington employers had difficulty finding qualified job applicants during the past twelve months.
- This difficulty is not isolated to high-tech firms; rather, the scarcity of skilled workers affects all industries. Employers in all parts of Washington report difficulty, but the most severe scarcity is in the Puget Sound area.

- The strong economy has created a general labor shortage, and firms even have trouble finding applicants with only a high school credential. The more serious problem, however, is the scarcity of workers with postsecondary training. Among firms having difficulty finding qualified workers, over three quarters report difficulty recruiting workers with bachelor's degrees, vocational certificates, and vocational associate degrees.
- The scarcity of workers with postsecondary *vocational* training affects more firms than are affected by shortages of other workers.

FIGURE 1



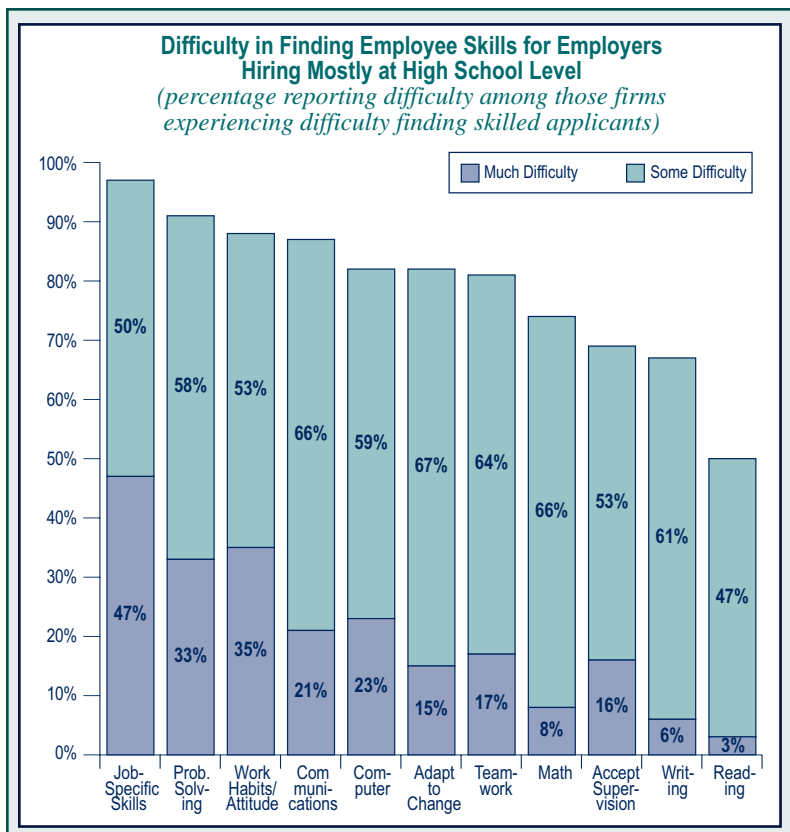
- The scarcity of skilled workers has had severe negative implications for Washington's economy. Employers report that productivity, output, and quality have suffered.
- Pervasive technological change has increased skill requirements. Forty-seven percent of firms report that the skills required to adequately perform production or support jobs have increased during the past three years. One reason is that computer usage has become more common.
- Skill requirements will continue to increase. As a result, firms expect their needs for workers with postsecondary

training will grow during the next five years. Thirty-six percent of firms expect their needs for workers with vocational diplomas and certificates to increase.

## Youth

- There remains a sizeable labor market for workers with little or no postsecondary training—this includes workers who have not completed high school, those with a high school diploma, and those with up to but less than one month of postsecondary training. About one-third of projected job openings over the next ten years are in occupations requiring little or no postsecondary training. These lower skill jobs, however, often pay low wages, especially for younger workers.
- Employers who hire workers with only a high school education most frequently report difficulty finding job applicants with job-specific skills, computer skills, and general workplace skills such as the ability to solve problems, good work habits, and communication skills. They report having less difficulty finding job applicants with basic skills.
- Population growth will increase demand for secondary vocational education, although at a slower rate than during the 1990s. At current participation rates, expected demographic growth will require an additional 7,500 Full-Time Equivalent Students (FTE) in secondary vocational-technical education by 2004-05.

FIGURE 2



## Adults

- Together community and technical colleges, private career schools, and apprenticeship programs annually prepare about 22,000 workers with middle-level preparation (postsecondary training lasting from 1 year and up to, but less than, 4 years). When we compare supply to the number of job openings, we find an annual skills gap of about 8,000 during the 1997-98 school year.
- Simply maintaining the current percentages of adults who enroll in community and technical college programs, private career schools, and apprenticeship programs will not increase the supply of workers with middle-level preparation enough to meet demand. If constant participation rates are maintained, the skills gap would only narrow to around 7,000 by the 2004-05 school year and remain at roughly that level to 2008-09.
- Closing this gap, therefore, requires increasing the number of student FTEs in job preparatory programs at the community and technical colleges beyond current participation rates.
- The amount of increase in job preparatory FTEs depends on the extent to which the community and technical colleges can increase efficiency in training and how soon state policy-makers wish to close the skills gap. If there are no efficiency gains, we estimate that to close the skills gap completely by 2008-09 would require adding roughly 2,700 additional job preparatory FTEs per year beginning with the 2001-02 school year.
- A 10 percent improvement in efficiency would reduce the number of additional FTEs needed per year in order to close the gap by 2008-09 from 2,700 to 2,000. Efficiency gains increase the rate at which students complete training. For example, colleges are implementing skill standards and certificates that can shorten the time it takes for students to obtain industry-recognized credentials. Tech-Prep and Running Start are increasing the number of college credits obtained by students while they are still in high school. And, K-12 educational reform should reduce the need to allocate college funds to remedial courses.
- Attracting more, and younger, students to vocational programs will be a major factor affecting future growth in enrollments. Policies that increase the incentives for students to enroll in vocational programs, such as special financial assistance, should be considered.
- The Employment Security Department (ESD) estimates that roughly 58,000 workers in Washington were dislocated from their jobs during 1999. Not all of these workers require retraining in order to find new jobs. The dislocated workers that do require training are primarily served by two programs: the Job Training Partnership Act (JTPA) Title III (replaced by the Workforce Investment Act (WIA) Title I-B on July

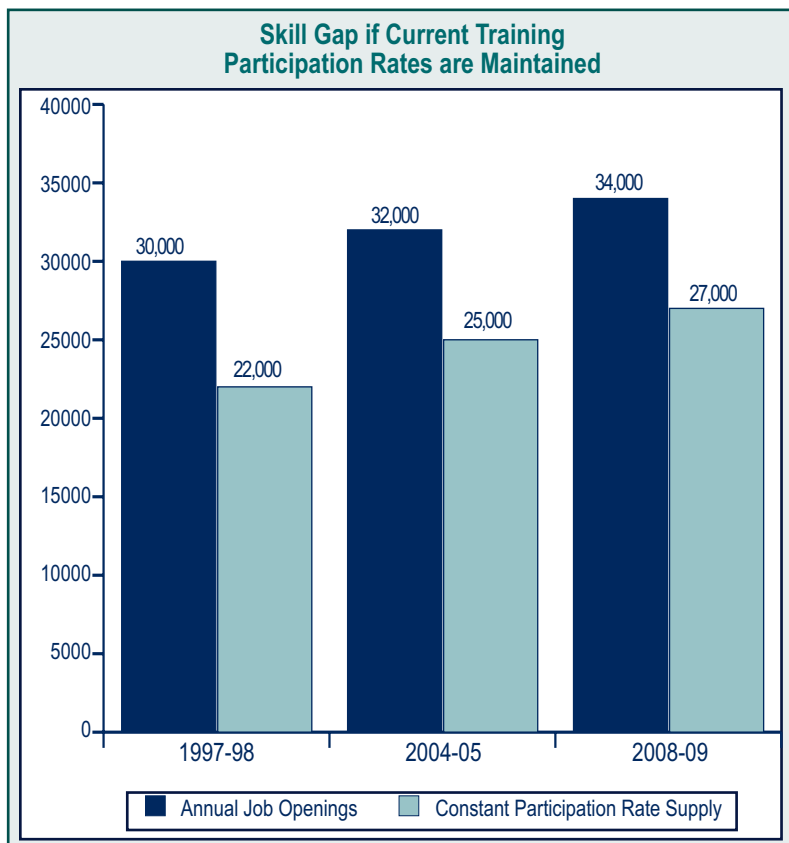


1, 2000) and the Worker Retraining Program (ESHB 1988). During the period from July 1998 to June 1999, 6,085 dislocated workers enrolled in the JTPA Title III Program and 5,140 enrolled in the Worker Retraining Program.<sup>1</sup> Altogether, a total of almost 9,700 dislocated workers enrolled in one or both of these programs. (This number does not include dislocated workers who were served by other programs such as trade adjustment assistance, or those taking courses at community and technical colleges who were not in the Worker Retraining program.)

## Adults With Barriers to Employment

- According to the *1998 Washington State Population Survey*, roughly 536,000 people aged 18 to 65, or 15 percent of the state's adults, had household incomes below 175 percent of the poverty line.<sup>2</sup> Of these adults, 20 percent lacked a high school diploma or General Educational Development certificate (GED), and 55 percent had no postsecondary education. A quarter were enrolled in school, and 58 percent were working for pay during the week of the survey.
- According to the State Adult Literacy Survey, between 200,000 and 500,000 adults in Washington are deficient at the most basic skill levels tested. According to the 1990 Census, about 60,000 adults (ages 19-64) in the state report they do not speak English well.
- Programs at community and technical colleges and community-based organizations that report to the Office of Adult Literacy reach over 20,500 students per year with a combination of work-related Adult Basic Education, English-as-a-Second Language, and GED courses, using over 4,800 FTEs per year.
- Only 6 percent of employers provide even 4 hours of basic skills instruction per year to any employees.

FIGURE 3



<sup>1</sup> These are the numbers enrolling in the programs during this period, rather than the total number of program participants. The number of program participants is greater since participation often lasts for more than one year.

<sup>2</sup> Poverty thresholds vary by household size. The 1998 threshold for a family of 3 was \$13,003. The threshold was \$16,660 for a family of 4.